



OTI / DAI-SWIFT PROJECT

Quarterly Performance Report For The Period April 1 through June 30, 2001

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PROJECT DESCRIPTION

The DAI SWIFT project began with the September 30, 1998 signing of **Contract AOT-I-01-98-00199-00, Task Order 01** between USAID-Office of Transition Initiatives (OTI) and Development Alternatives Inc. (DAI). There have been 11 modifications. The current DAI-SWIFT contract runs through December 31, 2001.

The economic crisis in Indonesia in 1997 and the resultant political and social upheavals in 1998 made it evident that fundamental governance problems lay at the root of these serious problems. However, a general atmosphere of willingness by the Indonesians to reform political systems also arose, and USAID decided to support and enhance this opportunity for meaningful, peaceful reform via an OTI project.

The OTI undertaking in Indonesia was launched in mid-1998. Its overall objective is to provide impartial and useful assistance and information to Indonesians so that informed decisions regarding the processes of political change can be made. The initial focus, up through the July 1999 general election, sponsored NGOs and other organizations in election-related activities, so that the election could be as democratic and successful as possible. After that major event was over, OTI developed a new portfolio, defining the post-election assistance, which contained the following five sectors:

- Promoting responsible media
- Civic education
- Conflict prevention and reconciliation
- Socialization of the election results
- Anti-corruption/transparency/good governance

Political events changed the configuration of the project. The September 1999 referendum in East Timor, the cataclysmic aftermath to the referendum and Indonesia's subsequent jurisdictional release of that province caused OTI to early on provide assistance to the devastated new country. A regional office was opened up in Dili, East Timor in December 1999, and it has been fully staffed and operational since early 2000.

The "Joint Understanding on Humanitarian Pause for Aceh" signed by the Indonesian government and the separatist fighting faction in the war-torn province of Aceh (which took effect in early June 2000) presented the opportunity for OTI to achieve meaningful work there. Therefore, a 2-person sub-regional OTI office was opened up in Banda Aceh in mid-May 2000. Initial grants were implemented, but security reasons later in the year forced the programs in that province to be curtailed or suspended. OTI has continued to implement grants in Aceh, but the program is not as full-scale as desired, because of the security factor.

In the plenary OTI-DAI team-building session held in February 2001, it was decided that OTI -Indonesia should concentrate its efforts on the areas of primary critical turmoil in

the archipelago (Maluku, North Maluku, Aceh, Papua, and West Timor), with secondary emphasis on other areas of conflict, like Central Sualwesi and issue areas such as civil-military relations.

Meanwhile, in the Programming Meeting for OTI/SWIFT-East Timor held in the same month, it was decided that the appropriate sectors for OTI/SWIFT-East Timor to concentrate on are:

- ❖ Community Stabilization
- ❖ Civil Society
- ❖ Media
- ❖ Governance
- ❖ Reintegration

The most significant development of the past quarter was the announcement by OTI of a downsizing of the program. This included a reduction in staff, both expatriate and Indonesian, by 20 people and the closing of the Medan and Jayapura offices. The downsizing has presented new challenges to both programming and implementation.

DAI SWIFT PROJECT FUNDING

The current provision of contract funds for the DAI SWIFT project is as follows:

TABLE 1

DAI SWIFT CONTRACT FUNDING (US \$)		
<u>Contract Document</u>	<u>Effective Date</u>	<u>Budgeted Funds</u>
Task Order #1	Sept. 30, 1998	2,514,925
Modification 1	Oct. 26, 1998	36,585
Modification 2	Jan. 14, 1999	729,245
Modification 3	Feb. 1, 1999	2,919,280
Modification 4	May 25, 1999	4,955,813
Modification 5	Sept. 27, 1999	2,142,428
Modification 6	February 4, 2000	8,970,213
Modification 8	June 22, 2000	15,000,001
Modification 11	February 28, 2001	4,533,955
Total Estimated Cost		\$41,802,445

Modification #11 was signed on February 28, 2001 and added \$4,533,955 of funds to the project, resulting in a new Total Estimated Cost of \$41,802,445. The total amount of obligated funds is \$39,675,276.

OPERATIONS

Staffing - In May, OTI decided to close the Medan and Jayapura offices. Closeout operations were completed by June 30. In addition, the Jakarta and Surabaya offices were downsized. A total of 22 people resigned or were terminated, including one expatriate. In addition, four Medan staff were transferred to Jakarta to fill positions that were vacant.

Conferences - A mid-term program review meeting was held in Jakarta on June 18 in order to revisit the broad program strategy set forth in Anyer in February. New threats to Indonesia's political transition were discussed and analyzed. The result was an affirmation of the conflict zone strategy and a "fine tuning" of the types of individual regional programs that will deliver a high impact in the shortest time frame. Larry Meserve, the CTO from OTI/Washington, attended and contributed to this meeting.

Visitors - DAI SWIFT and OTI continued to benefit from very good home office support. These visitors included Larry Meserve (14 June –6 July) -- OTI CTO of the project, who attended the mid-term program review; visited Aceh, Maluku and North Maluku to observe program activities; and visited SWIFT-East Timor.

Financial Performance - The financial data from official invoicing for the project is only available up through May 2001, because of the usual lag in invoicing. As seen in Appendix II, a total of 71% of the DAI SWIFT obligated budget of \$39,675,276 has been spent and invoiced through the end of May 2001. Of this, 78% of obligated funds (\$12,275,235) programmed for operations has been billed and 68% of obligated funds programmed for grants.

PROGRAMMING

NB: The structure of this quarterly report has been changed from that of previous reports to more closely reflect the program's conflict zone orientation. Thus, reports of programming activities will be made per region or issue area. The new format also reflects a greater integration of and contribution by DAI program staff to the overall strategy and direction of OTI's field activities.

Aceh

Background/Recent Developments

The Government of Indonesia (GOI) continued its troop build-up in Aceh during the early part of the quarter. At the same time, confusing and contradictory statements continued to come out of Jakarta about whether security operations would focus generally on the Free Aceh Movement (GAM) or would be limited to protecting the oil and gas infrastructure in the district of North Aceh, where Exxon-Mobil's suspension of operations continued. Some clarity came with the issuing of a presidential decree on April 11, which outlined the GOI's overall strategy for dealing with Aceh. The decree delegated authority to various ministers to coordinate the development and implementation of comprehensive steps in several areas (politics, economics, social affairs, law and social order, security and information and communication) to solve the conflict. It fell short of declaring a civil emergency or otherwise authorizing the Indonesian military (TNI) to supplant the police as primarily responsible for security. The TNI hierarchy was said to be unhappy about being restricted to a subordinate role and also about the fact that the decree did not protect them from future accountability for human rights abuses that might result from their operations.

The US Ambassador visited Banda Aceh in early April and reiterated US support for the territorial integrity of Indonesia while arguing both publicly and privately for an end to the violence and continued real dialogue between the GOI and GAM.

In spite of the comprehensive nature of the presidential decree, security incidents dominated events in Aceh by the end of the quarter. Direct clashes between GAM and GOI troops and police, civilian casualties, burnings of shops, homes and schools, intimidation and arrests of activists and private citizens, unpunished abductions and murders were all daily occurrences. In addition a new element emerged in the conflict with GAM targeting Javanese transmigrant communities in Central Aceh, claiming that the victims (more than forty dead in one incident) were TNI supported militias. Representatives of the area countered that they were only armed from self-protection, but the presence of TNI units that had served in pre-referendum East Timor lent some credence to the GAM accusations.

The suspension of operations by Exxon-Mobil was still in force by the end of the month of June.

International organizations began to prepare for increases in the numbers and movements of internally displaced that might result from an upsurge in fighting. OFDA completed an agreement to channel US funding for emergency response in Aceh from OFDA Washington through the ICRC in Geneva to avoid compromising the neutrality and security of the local Red Cross workers and operations.

In mid-April the Ministry of Foreign Affairs asked the UNDP to end both its support for the Banda Aceh based Joint Committees and Monitoring Teams (which it shared with OTI) and its humanitarian assistance program in Aceh, due to the fact that the Humanitarian Pause had been cancelled in January. As a result UNDP closed its office in Banda Aceh at the end of June after having completed disbursements of over US \$ 400,000 from the Humanitarian Pause Trust Fund.

The Henry Dunant Center focussed its efforts in several areas. After the withdrawal of support from the UNDP, replacement funding was obtained from the Canadian Government, and HDC increased staff and developed systems to be able to cope with the new requirements to manage the funds.

The Monitoring Teams (MT) continued to be restricted to their offices for most of the quarter following the killing of one of the South Aceh team members in late March but continued to receive and process incident reports from walk-in visitors. By quarter's end HDC had only been able to obtain new security guarantees for the Banda Aceh-based MT for a few trips outside of the provincial capital.

In another effort to achieve an improvement in security after all previous agreements made either in Geneva or directly with local commanders failed, HDC embarked an attempt to "lead security with a humanitarian rehabilitation project." In late March GAM captured Idie Rayiek, a small town in East Aceh. When the TNI forced GAM out some hours later, they burned many of the houses and shops to the ground and thousands of the citizens fled. The HDC project concept was to fund a reconstruction program for returnees through grants to local NGOs. HDC also obtained a commitment for matching funds from local government. The NGOs would purchase and deliver building materials and assist the local community to organize construction teams. The TNI would provide local protection and GAM would respect the TNI perimeter and the reconstruction activities within it. HDC found GOI officials at the national, provincial and local levels to be quite supportive of the proposal.

There were concerns existed, however, especially about the degree to which the safety of NGO staff and of IDPs could be ensured by security commitments between two opposed forces to date unable to maintain agreements of any kind. In the end, GAM and the TNI declined to sign a draft security agreement. The IDPs subsequently expressed reluctance to return home without proof of improved security.

In April HDC attempted to gain agreement from both sides to send high level delegations to a secret meeting in Tokyo. After the Indonesian Ministry of Foreign Affairs prematurely announced there would be meetings in Tokyo, GAM pulled back. At

months end the GOI continued to push for the meeting while GAM was withholding its assent.

When it became apparent that the Tokyo meeting was unlikely to take place, HDC concentrated its efforts on building consensus for and arranging a high level Joint Council meeting at the end of June. This meeting was held in Geneva at the end of the month of June and early reports indicate the following points of agreement or discussion:

- Both sides reaffirmed their commitment to the dialogue process.
- GAM agreed to review the Special Autonomy Law.
- The next Joint Council meeting should be held in September.
- Both sides reaffirmed their agreement to pursue democratic consultations via a Banda Aceh based steering committee. HDC feels that this indicates that GOI will soon nominate its delegates (which it has failed to do since the original agreement in Feb).
- Both sides agreed to facilitate HDC's humanitarian project efforts.
- The PIU will continue in its present form.
- The Joint Committee for Humanitarian Action will be dissolved.
- At the GOI's instigation the Joint Committee for Security Matters is suspended until GAM agrees to send high-level commander to commander meetings and provides security guarantees sufficient to enable Exxon-Mobil to resume operations.
- There was discussion of the commitments made in January and February to improve security, but no information on the results or conclusions was given.

Program Activities

Throughout the quarter, OTI continued its operational support for the Banda Aceh-based Joint Committees, Monitoring Teams and Public Information Unit. OTI also funded several grants focused on human rights (HR). These included a workshop bringing HR NGOs and Sidney Jones, the Executive Director of Human Rights Watch/Asia, together in Jakarta to consider ways to improve documentation and reporting of abuses in Aceh. A follow up meeting is planned for August. A second HR grant funded a group of lawyers from Aceh to go to Jakarta to meet with high level national government officials, including the president, to lobby for more attention to the deplorable state of the judicial system in the province. The group argued specifically for the assignment of more judges and the provision of incentives to keep them there. Another grant provided training for local journalists in Banda Aceh on the reporting of human rights cases, with a particular focus on the issues of protecting the identities of victims and witnesses.

In consultations with members of the US Senate and State Department, OTI decided to expand its limited mandate in Aceh to include capacity building for local NGOs preparing to assist returnees. By quarter's end, finishing touches were being put on grants to provide equipment and vehicles to thirteen Banda Aceh-based groups. OTI intends to follow this up with similar grants to NGOs in conflicted areas outside of the provincial capital, and with management and technical training for all grantees.

OTI funded travel for several Joint Committee and Monitoring Team Members to attend the Joint Council Meeting in Geneva at the end of the month of June.

Maluku

Background/Recent Developments

During the past quarter, the security situation in Maluku visibly worsened. Tensions escalated with a new outbreak of violence and a change in the way violent acts were perpetrated. Much of this was at the hands of Laskar Jihad, who began employing more terrorist-style tactics, sweeping of international organizations' vehicles for Christians and targeting specific Muslim communities they deemed had gone "off message".

This new mode of violence pushed the military respond in an equally heavy-handed manner. In mid-June, the Joint Battalion attacked an illegal radio station owned and operated by Laskar Jihad, destroying its offices as well as all the equipment. The Joint Battalion then went on to launch a weapons sweeping operation at a Laskar Jihad health clinic. During the operation, the battalion killed and injured a number of civilians, including a doctor and several patients. The public reaction from both Christian and Muslim communities was one of outrage. In response, the military hastily recalled the regional military commander and assigned him to another part of the archipelago in what was seen as a demotion. At the end of the month, a relatively unknown lower-ranking general replaced him as the new commander of the Pattimura Regional Command.

Programming Activities

In spite of renewed violence, programming in Maluku remained robust. The broad theme of support for expanded neutral space was followed up with grants that specifically addressed this issue. Of particular note was the opening of the NGO Community Resource Center, an initiative to enlarge neutral space undertaken by Mercy Corps with OTI funding. In May, NGOs began using the center for training, planning meetings and coordination efforts. In addition, the Joint Committee's Baku Bae movement began the establishment of a secretariat in Nania, another new neutral space on Ambon island. Also, Yayasan 45 undertook repairs to a high school that will temporarily house classes for Muslim and Christian students from Pattimura University in a neutral part of Ambon city.

Support for expanded neutral space also took on another face. OTI, in partnership with UNICEF, funded the Christian-based YPLPMK and the Muslim-based Forum Inovasi Group to establish a long-term computer skills training program for at-risk high school students at the Ambon Public Library, another neutral location in Ambon city. In addition, OTI, again in partnership with UNICEF, funded the purchase of garbage skips for operation by a Muslim NGO and a Christian NGO in connection with a wider campaign for inter-community cooperation in garbage removal.

During the latter part of the quarter, OTI also turned its focus to other parts of Maluku province where the conflict has ended and voluntary returns of IDPs have begun to take place. In this regard, OTI funded Mercy Corps to carry out an assessment of the needs and obstacles to returnees in Southeast Maluku, Seram and Buru islands.

For the immediate future, OTI is planning to fund an expansion of the Ambon Public Library's facilities for an internet center to complement and add value to the computer training program. OTI will also support repairs to and equipment replacements for the largest vocational high school in Maluku province, where Christian and Muslim students once again study together in peace. OTI will also work with the new mayor of Ambon to gauge interest in a clean-up-the-city campaign aimed at inter-community cooperation and civic pride. Finally, OTI will survey parliamentarians from Southeast Maluku as to their desire for a parliamentary strengthening program aimed at building the skills necessary to cope with decentralization and returning IDP needs.

North Maluku

Background/Recent Developments

The recent conflict in the new province of North Maluku began in August 1999 with a territorial dispute between the Districts of Kao and the new District of Malifut, which led to 16,000 Malifut Muslim IDPs relocating to Ternate and Tidore islands in October 1999. Also, displaced Muslims from the Maluku conflict (many from Ambon) began arriving in Ternate and Tidore from January through October 1999. In November 1999, Christian residents of Ternate island were driven out, fleeing to Tobelo, Bacan, and North Sulawesi. After arriving in Tobelo, Christian IDPs from Ternate galvanized Tobelo residents into attacking Muslim residents of Tobelo. These Tobelo Muslims then fled to Galela. At this point, the conflict spread to all of North Maluku province.

The provincial government reports 2,083 people died in the conflict, while international NGOs estimate between 3,000 and 5,000 were killed. Around 150,000 Muslims and Christians are currently displaced from their homes, with up to 50,000 leaving North Maluku province.

In early 2001, the provincial government began a concerted effort to facilitate the return of IDPs. Following high level visits by representatives of foreign governments, including the US, Denmark, UNDP, Japan and others, foreign donors agreed to support local government efforts to return IDPs. The Government of Indonesia has provided \$1,566,300 to build barracks and sanitation facilities for returnees.

During the second quarter, the GOI continued its drive to return IDPs to their homes and expand rehabilitation of homes, schools and office damaged in the conflict. Communities engaged in fighting have begun signing peace agreements that acknowledge the need for IDPs to return to their homes. On April 19, 2001, Tobelo held a traditional ceremony to mark the cessation of the fighting. Similar ceremonies have also been held in Loloda, Ibu and, most recently, Morotai.

Looming large on the political map has been the selection of a new governor. On July 5, Abdul Gafur from the Golkar party was elected as governor by the provincial parliament of North Maluku. There was an immediate controversy as allegations of money politics began to emerge, including a signed confession by one member of parliament who claimed to have received Rp 66 million in bribe money to vote for Gafur. The issue was turned over to the federal government, which demanded Gafur be installed as the new governor.

Programming Activities

OTI has been active in a broad range of programs to deal with the increasing needs presented by the process of repatriation.

As a pilot project, OTI signed four in-kind agreements totaling \$309,000 with the provincial government of North Maluku to provide basic building materials for returning IDPs and community members whose homes and facilities were destroyed during the violence. OTI, through DAI, purchased, shipped, and offloaded zinc roofing sheets, cement, nails, and carpentry kits (hammers, cement spades, and handsaws) to be used in the following sub-districts, which were identified by the provincial government as high priority: Galela and Tobelo, Malifut and Kao, Jailolo and Sahu, and Bacan. Materials arrived from late April into June 2001 and will assist at least 3,000 families.

A large portion of North Maluku remains in a virtual news blackout and many IDPs do not have access to formal news. Beginning late in the previous quarter, OTI, through DAI, began purchasing 3,000 newspapers per week from three main papers in North Maluku: the Ternate Post, Mandiri News, and Mimbar Kieraha News. These papers continue to be delivered by the local Red Cross to IDP camps in Malifut, Kao, Galela, Tobelo, Jailolo, Sahu, Ibu, Bacan and Morotai Islands in North Maluku.

The local Red Cross has been very active and helpful in coordinating international relief operations in the province. OTI, through DAI will provide the local Red Cross with a vehicle and 5 months running costs (gas and oil), as well as per diem for some volunteers to help them in their efforts. They currently only have two old vehicles which are subject to frequent breakdown. Provision of this vehicle will allow the Red Cross to expand their activities to assist OTI in monitoring the distribution of basic reconstruction materials for North Malukans whose homes were destroyed during the violence. The Red Cross will also distribute 3,000 newspapers per week (purchased by OTI from three different newspapers) to IDP camps throughout North Maluku for 5 months.

Papua

Background/Recent Developments

Calls for independence have steadily increased over the past two years in the restive province of Irian Jaya, or Papua, the favored name of the Papuan people. The independence movement, long an underground operation, has become increasingly

prominent and vocal. Years of human rights abuses (largely at the hands of the Indonesian military) and lack of control over resources have only served to strengthen the resolve of independence leaders in pushing their agenda. This culminated in the convening of the Papua Peoples' Presidium Congress in June 2000, when the Presidium stopped just short of declaring unilateral independence from Indonesia. The debate continues between those who seek full independence as a nation and those who would be satisfied with greater autonomy for the province.

This debate received renewed attention in early January 2001. In perhaps the most important political development of the past year in the province, Governor Jab Sollossa began consolidating a broad-based coalition of government officials, academics and NGO activists to draft a new framework for special autonomy referred to as "Basic Rights and Responsibilities of the Papuan People." A team of political and legal experts from Cendrawasih University, (UNCEN), based in Papua, was tasked with combining elements of four existing draft bills and a document prepared by moderates of the Papuan People's Presidium, into a new framework for special autonomy. This framework was presented to the general public in Papua during the months of February and March. Feedback from the public was then gathered and used to revise the first consolidated draft.

After the process of gaining public feedback, the provincial government held a mass meeting of community representatives from all 14 of Papua's districts to put the final touches on the bill before submission to Jakarta. Unfortunately, the meeting was "hijacked" by hard line elements from the Papuan People's Presidium, whose message was "independence or nothing". The result was a mass walkout by a large portion of the attendees. Nonetheless, the drafting team from UNCEN pressed forward with its revisions to the draft.

In May and June, attention was focused in Jakarta, where the draft bill for special autonomy was discussed in the House of Representatives (DPR). After lengthy lobbying and arguments, BAMUS (Badan Musyawarah) DPR provisionally decided to opt for the draft bill composed by the UNCEN team as the one to be discussed within the House, rather than an alternative draft bill composed by Ministry of Home Affairs that was submitted first, and according to house rules, should be granted primary consideration. In order to respond all possible needs for the House, the provincial government of Papua opened a small secretariat in Jakarta, staffed on a rotating basis. They plan to station a permanent core team at the secretariat when approaching the final deliberations on the bill or if they assume necessary.

During the month of June, the political map in the House of Representatives (DPR) shifted along with the changes of the political atmosphere in Jakarta. Initial support from the center for the UNCEN bill hung in question, as the BAMUS pushed the date for a formal decision on which special autonomy draft would be the principal one until mid-July. *(NB: At the time of this writing, the DPR and Ministry of Home Affairs reached an agreement that UNCEN's version of the draft special autonomy bill would be the one put forward as the principal discussion draft.)*

June also saw an increase in separatist activity in the Birds Head region, including reported human rights violations in Wasior, a sub district in Manokwari, where five Brimob were killed, one civilian was killed and several civilians were injured.

Programming Activities

During the second quarter, OTI continued to provide logistical support to lobbying efforts by UNCEN for their version of the draft bill on special autonomy for Papua. This support took the form of computer equipment for the Jakarta operations center, and transportation and accommodation for team members rotating in and out of Jakarta from Jayapura.

At the same time, human rights training and monitoring activities continued in various parts of the province. A key focus was on Merauke district, where two new OTI grantees began integrated human rights awareness and monitoring activities. Additional activities with partner organizations are planned for this region. In addition, public debates surrounding the mayoral selection process in Biak were funded by OTI. These will likely be replicated in other parts of Papua where upcoming elections will soon take place. Finally, OTI is exploring the needs of parliaments in newly created districts to determine the form and content of technical assistance to the parliamentarians.

West Timor

Background/Recent Developments

Conditions in East Nusa Tenggara province, particularly in West Timor, have deteriorated considerably since the East Timor referendum in August of 1999. First, the region was immediately confronted with the additional presence of some 250,000 East Timorese refugees – nearly half the total population of West Timor itself. Second, the strain on the region's already scarce resources became even more acute. Third, natural disasters claimed lives, worsened public morale and further depleted dwindling resources. Fourth, East Nusa Tenggara found itself in the new role of frontier province -- bordering on another country -- and is experiencing the impact of the added military presence that such a status change brings. Finally, killing of three UNHCR workers in Atambua in September 2000 resulted in the evacuation of all international relief organizations from the region and international condemnation of Indonesia in handling the incident.

While the above factors have created tension throughout the region, they are most evident in West Timor, where approximately 90,000 East Timorese refugees remain in squalid camps. There is continued competition for scarce resources. Limited conflicts have erupted in some areas between refugees and local residents. In addition, the continued presence of East Timorese pro-integration militias, and tacit if not active collusion by the Indonesian military threatens the fragile peace that presently exists. The provincial government has done a commendable job in handling the humanitarian situation but is running out of time and resources to continue their efforts.

Reports from former OTI grantees and other partners in the region regarding the current security environment in West Timor are mixed. Those in Kupang indicate that conditions there have returned to normal. However, those reporting from outside the city and as far away as the border with East Timor state that the security situation has not improved. Tensions and violence in communities with high populations of East Timorese refugees have been particularly notable. There have been reports of burning of refugee houses and numerous human rights abuses of local citizens at the hands of Indonesian security forces.

After many months of little or no international presence in West Timor, international organizations and staff began to return to the region in late January. Some international NGOs have sent staff back into the region full time. Others, such as IOM and the UN, continue to send representatives for specific one-off activities and assessments. The US Mission continues to support select OTI-funded activities in West Timor. However, the UN resolution against Indonesia still remains in place, making it unlikely that most multilateral donors will return to the region in the foreseeable future.

This month, the local and international community looked on as the GOI finally conducted a one-day refugee registration on 6 June. While very few international monitors participated, there were critical reports from inside and outside of the country due to the lack of a comprehensive operational strategy and poor socialization of event and its implications for refugees. Among other issues, the registration committee was ill-prepared for the arduous process. Consequently, the validity of the registration result has been questioned by many – with only 1.1% refugees willing to return to East Timor with the rest preferring to stay in Indonesia. While immediate repatriation/resettlement was planned for after the registration, to date, there has been no activity yet in the ground. However, recent reports from West Timor indicate that TNI will not begin to withdraw from refugee camps after August of this year.

In response to the above-referenced prohibition, as well as the security situation, OTI activities in West Timor have been limited until recently. OTI's specific priority areas for West Timor are: *Providing Accurate Information to Refugees* and *Strengthening Local Human Rights Capacity*.

Programming Activities

During the past quarter, OTI supported activities concerned with repatriation of East Timorese refugees. In anticipation of the GOI refugee registration on June 6th, OTI supported a local NGO to conduct the socialization of the registration process through dialogue advocacy and dissemination of information in 3 relatively secure camps around Kupang. This activity encouraged several camp leaders from the 3 locations to return to East Timor directly after the registration finished. OTI also supported the West Timor Journalist Association to continue their media programs, which provided value added to the visit of Baucau Bishop Nascimento to West Timor in late May.

Also during the past quarter, OTI funded a Human Rights Workshop in Kupang to further discuss the appropriate model of a Regional Commission of Human Rights in West Timor. The workshop was attended by national human rights experts from KontraS

Jakarta, KomnasHam/National Commission of Human Rights; Komnas Perempuan/National Commission of Human Rights For Women and Indonesia Legal Aid Institution. The involvement of these national experts highlighted the political support from the HR NGO network at the national level for advocacy work underway in West Timor. The establishment of this Regional Commission will be critical to the sustainability of human rights advocacy in West Timor in the future.

In addition to the above, OTI supported an action plan meeting of Human Rights NGOs from East and West Timor to further discuss three main issues concerning these two regions: border issues; refugee/IDP problems; and protection of human rights workers. The resulting action plan is expected to revive the NGO network that was once existed to ensure the implementation of human rights activities in each region. In addition, utilizing a conflict prevention approach, OTI will also support two more activities featuring village dialogues around Kupang districts involving local people and refugees providing enough space to both sides to interact in a peaceful way.

Future activities in West Timor will depend very much on security conditions. With high numbers of East Timor refugees choosing to stay in Indonesia, there may be increased tensions due to the economic and social burden to the West Timor region. At the same time, the potential conflicts between the refugees and local people may become greater. Anticipating this situation, OTI will focus its programs on conflict prevention and resolution efforts in the near future, while at the same time maintaining a concentration on human rights programming as well.

Civil-Military Relations

Background/Recent Developments

Civil-military relations continued to be dominated by the ongoing struggle over the presidency. President Abdurrahman Wahid has repeatedly attempted to declare a state of emergency to escape his imminent impeachment, but has so far failed because of opposition from senior ministers, the military and the police. In turn, Wahid reshuffled his cabinet, but faced resistance when he tried to do the same with the army and police leadership. The support of both institutions is essential for a successful implementation of the emergency plans; the current senior officers from both security forces have made it clear, however, that they would ignore a presidential declaration of emergency. The tensions arising from the conflict over Abdurrahman's presidency has shifted the military back into the spotlight of elite politics.

Programming Activities

The political dynamics of the inter-elite-competition has turned OTI's program activities in the civil-military relations sector into a difficult enterprise. The focus of the program, institutional reform of the military and the establishment of effective civilian control over the armed forces, was often overshadowed by the day-to-day issues of politicking. The Minister of Defense, for instance, who had worked closely with an OTI-funded team of

civilian military experts in formulating a reform-minded State Defense Bill, was busy lobbying other political forces not to topple Abdurrahman. As a result, he neglected his ministerial tasks and performed poorly in defending the Bill in the deliberations at the Parliament. At the request of the Minister, OTI provided resources to allow members of the team of experts to advise him during the deliberation process; while the OTI-funded backdoor briefings of the team for the military and parliamentary factions removed most of the hurdles for the Bill, the Minister's weakness remained a constant source of irritation for those who had viewed him as an ally in institutionalizing military reform.

The extremely high mobility in Abdurrahman's cabinet finally removed the Minister from office in July. The ministry was temporarily taken over by the Coordinating Minister for Socio-Political and Security Affairs, a retired three-star general. The impact of this reshuffle on the deliberations of the Bill in the parliament remains unclear, but the OTI-funded team is confident that the core of the Bill, the clear separation between defense and domestic security, will survive the expected political upheaval of the upcoming weeks.

Other OTI projects on institutional military reform have experienced similar political disturbances. An OTI-appointed team of legal experts working on alternatives for the Emergency Act currently drafted by the government has interacted with no less than four Ministers of Justice in the last six months. Each change in the Ministry's leadership requires new briefing sessions and strategic reorientation, leading to substantial delays in the process. Equally, an OTI-funded project on the decentralization of security had problems in presenting its results to the political elite because the focus on Abdurrahman's future continues to alter the routine parliamentary schedule.

The apparently inevitable downfall of Abdurrahman will have considerable consequences for OTI's civil-military relations program in Indonesia. On the positive side, the reestablishment of relative political normalcy will allow for the concentration of structural aspects of military reform, providing OTI with the opportunity to exert maximum influence in the process of reshaping of TNI's institutional framework. On the negative side, the military will enjoy the fruits of the successfully mastered political crisis, most likely leading to increased institutional autonomy and expanded public tolerance towards its security approach in Aceh and Papua. In any case, the program will have to adopt to a dramatically changed policy environment, with new political players and shifted priorities.

IMPLEMENTATION

This quarter, our implementation strategies became more focused and tailored to the specific hot spots where we are working. Since each hot spot area has its own set of security, logistical, and programmatic issues, our implementation systems are being adapted to the various situations on the ground in these locations. The implementation team continues to be flexible and creative in working in these ever-changing conditions, and they continue to find new ways to handle problems as they come up. In order to illustrate the different implementation strategies currently applied to each region, several regions will be highlighted below.

North Maluku

Perhaps the biggest and most collaborative effort in implementation in the last 18 months took place this quarter in North Maluku. In late March, four grants were signed with the North Maluku staff of the Indonesian Agency for Disaster Response and IDPs, in coordination with the governor of North Maluku. These grants were designed to purchase and ship materials for community reconstruction to eight different districts in North Maluku. These grants total over \$300,000, and they include costs for purchasing and transporting over 3,000 tons worth of basic building materials (cement, zinc roofing, nails, and carpentry kits) to support the process of resettling internally displaced persons as well as community reconstruction in North Maluku.

In order to implement the purchase and delivery of these goods, several teams of people were assembled in various places across the country.

The grant managers and the procurement staff worked together with management in Jakarta to do the bidding to decide which vendors would supply which materials, which vendors would ship the materials, and who would insure the materials. Once the vendors were chosen, a team of people from the Surabaya, Jakarta, and Medan offices worked in Makassar, South Sulawesi, to purchase and monitor the loading of the goods onto each of the four boats that would transport the materials to the different ports in North Maluku. Another team of people from our Jakarta and Medan offices worked on the ground in each of the districts in North Maluku to prepare the local government to receive the goods, to arrange the workers to off-load the goods from the ships, and to arrange for transport of the materials from the ports to the storage sites. This was an immense task as many of these districts were so decimated by the fighting that there is no remaining infrastructure, and the communication systems are practically nonexistent. Another team of people worked in the Jakarta office as the information center, directing all of the activities and coordinating between the staff in the field, the vendors, the shippers, and the local governments.

Maluku

Early in this quarter, Ambon experienced a period of relative calm and peace. As a result of this, several program development trips were made there, and grants were approved to continue the program agendas of expanding neutral space and of rewarding communities which choose integration. Unfortunately in late May and June, the violence started up again, and the security situation deteriorated to such an extent that we decided not to send any of our Indonesian implementation staff to Ambon to follow-up on the grants that were approved earlier in the quarter. A new strategy developed to overcome this problem is to purchase materials in Jakarta or Surabaya and to ship them to Ambon. This works well for items that cannot be found in Ambon, but for items that are available in Ambon, we prefer to purchase locally so that the money can be injected into the local economy. As soon as the situation ameliorates, we will send implementation staff to Ambon to purchase the remaining goods that are available on the local market.

West Timor

As was anticipated during the last quarter, security and sensitivity played a big role in both approving and implementing grants in West Timor this quarter. Due to the volatility of the security situation there and due to the fact that the embassy wants to review and approve grant activities, the grants' approval process for West Timor has become longer than in the past. Due to embassy restrictions, our expatriate staff cannot travel to West Timor at all, and our Indonesian staff can currently only travel to the capital city of Kupang; they cannot travel outside of Kupang. This makes it difficult as many of our programs target the refugee community situated several days' drive away from Kupang, on the border with East Timor. As a result, for implementation, we have had to try new methods to work with our grantees out there. One method we have come up with is to invite the grantee to Jakarta before the activity begins to go over the implementation strategy with them as well as to review the flow of funds that will occur once the activity begins. This was the case for the Human Rights Advocacy Program on the border of West and East Timor done by PKP Atambua (the Atambua Justice and Peace Committee). We brought Father Romo Paulus to Jakarta to meet and brainstorm with our implementation staff on how to handle the flow of money and reporting.

SWIFT-East Timor Quarterly Performance Report For The Period April 1 through June 30, 2001

PROGRAMMING

Civic Education

In the civil society sector, USAID/OTI is strongly focused on supporting civic and voter education initiatives that will be implemented mainly by local organizations. Although civic education work has been slow and subject to a difficult coordination process under a lead UNTAET office, now it appears that education activities are increasing.

USAID/OTI is poised to fund civic education initiatives as quickly as possible and in recent weeks USAID/OTI civil society program staff have seen that local organizations are becoming increasingly concrete about proposed activities.

In collaboration with USAID/Jakarta's Democracy and Governance Office, the USAID/OTI East Timor program provided support with a \$2,000 grant for two East Timorese Yayasan HAK staff to take part in a USAID/Jakarta-funded legislation drafting course at Udayana University in Bali, Indonesia from April 16-27. While several HAK staff were trained in law at Indonesian universities, very few were able to practice as lawyers, judges or legislators. The training of trainers in April was the second legislative drafting course that was organized for Indonesian organizations by the Center for Commercial and Economic Law of the University Airlangga, Bali, in cooperation with University of San Francisco. The course organizers expect the participants to be able to disseminate their skills once they return to their regions and help the local government in drafting policy and regulation. In the case of the two East Timorese participants, the legislative drafting skills will be used at the national level of government.

Grants to civil society during May supported civic education activities, including a nation-wide initiative led by the Higher Institute of Economics and Management (ISEG) and several small district-based initiatives. With a \$37,600 grant from USAID/OTI, ISEG held their training from May 10-12 in Dili for over 600 students. The training session included the development of a civic education manual in Bahasa Indonesia and Tetum languages on basic principles of democracy. ISEG deployed 442 students by the end of May to all the sub-districts of East Timor. These students will provide training to villages on the fundamentals of democracy and will distribute basic civic education materials. This training is in preparation for the upcoming East Timor consultative process, to be undertaken in preparation for drafting a new Constitution. Many locally based groups are eager to develop civic education activities but they lack basic materials, the wide distribution of which will help to ensure a more uniform message across the districts.

Timor Lorosa'e Moris (TILMO), with a grant from USAID/OTI, started short-term civic and voter education for all 34 villages in Lautem district, conducting discussions and dialogues with the groups and residents in each village. In Lautem district, Tetum (the lingua franca in most of East Timor) is not widely spoken. TILMO, as a locally based organization, has the advantage of being able to hold all sessions in the local languages.

The student group CSBH, Centro Estudante Buka Hatene, was awarded a grant to promote general awareness of individual rights and obligations in a democracy and to improve understanding of the importance of democratic systems, including political parties, elections and a constitution. CSBH will also disseminate information on the purpose of the August 30 elections and promote a high participation in those elections.

An Asia Foundation survey on voter knowledge in East Timor, conducted in February and March and released in May, has provided baseline information in many areas of relevance for the work of USAID/OTI. The survey found that only 30% of eligible voters knew that the election is scheduled for August 30, while only 5% correctly understood that the election will be for a Constituent Assembly. The survey also confirmed a lack of access to media, with only 40% of respondents reporting radio ownership.

Media

During April the USAID/OTI media program supported another visit to East Timor by West Timorese and Indonesian journalists, with a grant to the Timor Lorosa'e Journalists Association. UNHCR facilitated the visit in coordination with the Association. After arriving in Dili, the journalists went to Baucau, Los Palos, and Manatuto to interview new returnees, particularly people formerly connected to the Indonesian military. Such journalist visits have proven effective in improving the accuracy of reports about East Timor in the West Timorese media, assisting refugees to make informed choices about returning to East Timor. Interviews with returning refugees have shown that accurate information is an important factor in the decision to return. In addition to funding the journalist visit, USAID/OTI made two small grants to two district bulletins, *Tolas*, based in Oecussi, and *Kuda Ulun* from Maliana in Bobonaro district. USAID/OTI also provided a small grant for the commemoration of World Press Freedom Day in Bobonaro. (This commemoration was particularly significant, as Bobonaro is both the only district in East Timor with two local media entities and also the site of the murder by Indonesian forces of five foreign journalists in 1975.)

A recent survey underlined continuing problems with the flow in information in East Timor during this period when better information flows—especially about the upcoming election—is vital to a stable transition. USAID/OTI has increased support for civic education and public information campaigns, providing grants to Dili-based daily and weekly newspapers for subscriptions to newspapers by schools throughout East Timor. This logistically ambitious project will provide information to teachers and communities at this critical time and also help support the national print media outlets. USAID/OTI

will also program to distribute of radio sets as part of the BELE community development project.

USAID/OTI is providing support also to Renetil, originally a university student group that assisted in information campaigns in the run up to the 1999 referendum. Renetil, which offices in Liquica, Ermera, Baucau, Suai, Bobonaro, Los Palos, and Viqueque, will produce weekly news summaries language and informational leaflets on a range of topics in the Tetum language and distribute them through its district-based networks.

In continuing efforts to support the development of independent radio in East Timor, USAID/OTI provided a start-up grant to Radio Tokodede, a community radio station in Liquica district that plans to do much of its programming in the district's local language, Tokodede. Additionally, USAID/OTI provided a second grant to Maliana Community Radio in an effort to expand the range of the station's transmission. Situated near the border with West Timor, the radio station has played a critical role in providing news and information to the refugee communities in West Timor. The new grant, carried out with technical assistance from UNHCR, will allow the station to reach far more of the refugee camps.

USAID/OTI provided a grant to CARE East Timor, to expand the distribution of a children's magazine to schools throughout East Timor. The first edition of the magazine, focused on human rights, has met with widespread praise. Future editions will cover civic and voter education topics. The magazine, while geared toward children, provides accessible information of critical relevance, such as civic education messages, to adults, particularly those with limited reading skills. The magazine will reach approximately 160,000 school children and their families, as well as 4,000 adults. Noteworthy grants in June were to A Voz de Timor Lorosa'e, a daily and Televisaun Timor Lorosa'e (TVTL). The grant to A Voz de Timor Lorosa'e will assist in increasing the circulation of the newspaper by 50%, in addition to increasing the diversity of news stories, particularly from the districts. It will also increase the flow of information in East Timor about current events as well as provide access for the public to contribute their views in a public forum. The grant to Televisaun Timor Lorosa'e will increase the number of East Timorese who are able to view the TVTL news programs by 6 times at the district level, increase the distribution of civic education VCDs to ten times the current available numbers, and eliminate technical dependence on facilities outside East Timor for the copying of VCDs.

Transitional Engagement for Population Support – TEPS II

Deliveries to five districts for the eighteen grants of the final round of TEPS II continued throughout the month of May. Projects include the rehabilitation of village water systems, the reconstruction of schools, markets and other community buildings, small-scale road and bridge repair and the rehabilitation of selected sports facilities (targeting the engagement of local area youth throughout all stages of project identification and implementation). This will conclude TEPS II projects as project BELE picks up where TEPS II has left off.

Project 'BELE'

In April the BELE team began intensive field travel to line up projects for this new community development initiative. BELE's objectives are: 1) to empower communities through engaging their participation in project identification, selection and implementation; and 2) to assist in rehabilitating (rural) socio-economic infrastructure at the local, grassroots level. The program emphasizes community-based decision making and participation throughout the project cycle; women's access and participation; use of local implementing partners; complementing other community level interventions; and timely project implementation prioritizing near-term results and greatest impact.

At the same time fourteen grants were approved under Project BELE totaling approximately \$125,000 in obligations with 8,000 direct beneficiaries. The majority of these grants are for rural income generation projects but also include rehabilitation of village water systems, rehabilitation of village irrigation schemes and rehabilitation of community buildings and sports facilities. USAID/OTI is providing in-kind project assistance and the majority of community activities to receive BELE support will be in the following sectors: agriculture (irrigation, inputs); roads (small-scale rehabilitation of village feeder roads); small-scale clean water systems; selected reconstruction (markets, community meeting buildings); selected income generation (in-kind support to cooperatives); and selected sports facility rehabilitation (to engage student and youth groups).

Some time was lost between the phase out of TEPS II and the start of Project BELE as USAID/OTI staff revamped the community development strategy and disseminated information on the new program. In April only four BELE grants were signed but at the same time there was an intensive amount of travel in the target districts that laid the groundwork for implementing BELE. Also, the BELE team is looking for other partners to implement the same type of projects in a number of the districts not covered currently by BELE.

BELE interventions help bring communities together. And they are often vital to community well-being. For example, in an isolated area of Bobonaro District, USAID/OTI provided materials to rehabilitate five water tanks that were originally built in 1989 by the Indonesian Government and UNICEF as a source of safe drinking water for the local communities during the dry season. Project activities included repair and expansion of some of the tanks, construction of simple shelters to prevent contamination, and the installation of additional taps to increase community access to clean water. All tanks were successfully rehabilitated with the total direct beneficiaries numbering 1,242 (645 women). The repairs are expected to last a minimum of five years and will be incorporated into a larger ADB-funded OXFAM clean water project. Implementation of this low tech, high impact intervention was entirely designed, managed and implemented by the community and USAID/OTI will support a follow on proposal by the communities involved to continue rehabilitating other water tanks in the area.

Project BELE is running as envisioned to support a wide range of such low tech, high impact community-driven interventions. To build on the successes of the program, on-going discussions are underway to consider a grant for IOM to implement BELE directly from four of their district field offices (initially Covalima, Oecussi, Viqueque and Lautum Districts) as USAID/OTI believes it is necessary to engage communities in these areas but is currently unable to do so given staffing and geographic constraints. IOM's field presence, implementation of the Falintil Reinsertion Assistance Program (FRAP) and strong institutional background in this type of programming makes them an ideal implementing partner for BELE.

Falantil Reinsertion Assistance Program (FRAP)

By the end of April, the IOM-implemented Falantil Reintegration Assistance Program (FRAP) was more fully functional as IOM opened new district-based offices, hired needed local staff, and began procuring program supplies. FRAP is jointly funded by the World Bank and USAID/OTI and its goal is to successfully reintegrate into civilian society approximately 1,300 ex-Falintil soldiers. Phase Four will begin with a focus on distributing livelihood packages or offering training opportunities as determined by participant preferences.

By the end of May, the IOM-implemented Falintil Reintegration Assistance Program (FRAP) was being readied to transition from Phase Three to Phase Four. A final beneficiaries list was compiled that covers approximately 1,300 ex-Falintil soldiers in the program and FRAP staff made the fourth of five monthly transitional safety net payments to this number of people. The last payment to program beneficiaries will be made in July and by August 1st Phase Four will begin with a focus on distributing livelihood packages or offering training opportunities as determined by participant preferences. FRAP is jointly funded by the World Bank and USAID/OTI and its goal is to successfully reintegrate ex-combatants into civilian life.

OPERATIONS

Visitors during the quarter:

Eri Rustamaji from DAI Indonesia (April 2-6) installed new LAN lines, updated computer software and troubleshooted computer problems, installed Access '97 program, hooked-up new computers.

Zulia Saida from OTI Indonesia (May 4-11) worked with local civic education and media groups to develop materials for mass media and civic education campaigns.

Terry Meyers and Mike Maclucic from USAID Indonesia (May 14-16) assessed current USAID/OTI program in preparation for the upcoming installation of a USAID mission.

Joanny Yameogo and Ining Nurani from USAID Indonesia (May 17-19) surveyed possible housing sites for USAID mission.

Mark Ellis, Marvin Ramos and Ferdi Hasnovi from RIG (May 21-22; May 21-25 for Hasnovi) performed a preliminary audit of USAID and OTI's projects.

Nona Zicherman from DAI Bethesda (May 2-23) assisted the project during the Finance/Project Manager's absence.

Aya Muchtar, a consultant from Indonesia (June 1-24) provided coordination and training for training of trainers courses in East Timor.

Administrative Matters:

Set up a new medical plan for East Timorese staff at the Clinic Cafe Timor, a clinic initially established with the assistance of the USAID/NCBA coffee project.

Revised basic documentation for the grants and implementation process, to ensure that current written procedure reflects actual practice of grant administration.

Revised and updated personnel policies and the office operations manual.

Cooperation with other USAID projects:

Met with USAID-funded NGOs (International Republican Institute, National Democratic Institute, The Asia Foundation, and Internews) to discuss assistance to them for importation and customs clearance their vehicles.

Finance

See Excel file attachment.